The University of Chicago

THE INFLUENCE OF EDWARD KELLOGG UPON AMERICAN RADICALISM, 1865-96

A PART OF A DISSERTATION SUBMITTED TO THE FACULTY OF THE DIVISION OF THE SOCIAL SCIENCES IN CANDIDACY FOR THE DEGREE OF DOCTOR OF PHILOSOPHY

DEPARTMENT OF HISTORY

By
CHESTER McARTHUR DESTLER

Private Edition, Distributed by
THE UNIVERSITY OF CHICAGO LIBRARIES
CHICAGO, ILLINOIS

Reprinted from
The Journal of Political Economy
Vol. XL, No. 3, June 1932

The University of Chicago

THE INFLUENCE OF EDWARD KELLOGG UPON AMERICAN RADICALISM, 1865-96

A PART OF A DISSERTATION SUBMITTED TO THE FACULTY OF THE DIVISION OF THE SOCIAL SCIENCES IN CANDIDACY FOR THE DEGREE OF DOCTOR OF PHILOSOPHY

DEPARTMENT OF HISTORY

By
CHESTER McARTHUR DESTLER

Private Edition, Distributed by
THE UNIVERSITY OF CHICAGO LIBRARIES
CHICAGO, ILLINOIS

Reprinted from
The Journal of Political Economy
Vol. XL, No. 3, June 1932

From a Dissertation entitled:

THE PEOPLE'S PARTY IN ILLINOIS, 1888–96

A PHASE OF THE POPULIST REVOLT

R. UNIV.
BIBLIOTHEEK
LEIDEN

Reprinted for private circulation from
THE JOURNAL OF POLITICAL ECONOMY, Vol. XL, No. 3, June, 1932
PRINTED IN THE U.S.A.

CHESTER McA. DESTLER

THE INFLUENCE OF EDWARD KELLOGG UPON AMERICAN RADICALISM, 1865–96

THE intensification of industry in old centers, and the shift from workshop to factory elsewhere, occurred with astonishing abruptness during Civil War and reconstruction. Factory hands and clothing workers[1] suffered severely in this period of transition,[2] while inflation and deflation affected skilled and unskilled labor alike.[3] Nor was the stress which this entailed diminished by periodic depression and unemployment. In the country, the effects of the new industrialism, supplemented by deflation and the pressure of Western competition, bore with almost equal weight upon the farmer. In town and country men of small means felt increasingly overshadowed. Faced with the progressive loss of that economic independence which had characterized pre-war democracy, and rendered class conscious by the pressure of economic change, many responded with prolonged resistance to the new industrialism. Not until 1887, with the decline of the Knights of Labor, did the industrial masses accept finally their dependent status. In the country, resistance was prolonged another decade until, in 1896, the agrarian movement was crushed in the "Battle of the Standards." In the interim, labor reformers and agrarian radicals denounced similar evils, supported similar programs, and occasionally co-operated in their efforts to overthrow the new régime.

As elsewhere in the course of the Industrial Revolution, skilled labor inaugurated the movement of resistance. Turning from trade-unionism[4] in 1866, it sought through the National Labor

[1] John R. Commons and associates, *A Documentary History of American Industrial Society* (Cleveland: Arthur H. Clark Co., 1910), IX, 72–73.

[2] E. D. Fite, *Social and Industrial Conditions in the North during the Civil War* (New York: Macmillan, 1910), pp. 199–303.

[3] John R. Commons and associates, *History of Labour in the United States* (New York: Macmillan, 1918), II, 110.

[4] A marked revival of trade-unionism had occurred in 1863–64; cf. Fite, *op. cit.*, pp. 205–9; Commons, *Doc. Hist.*, IX, 23–24, 89, 97, 99, 104, 109; Richard T. Ely, *The Labor Movement in America* (New York, 1905), pp. 62–63.

Union[5] to unite all "producers" against the capitalists.[6] Not unlike similar movements in Europe during the first stage of the Industrial Revolution there, this organization turned at first to co-operative production and consumption as the "sure and lasting remedy for the abuses of the present industrial system."[7] Lacking capital or credit, however, in sufficient quantity to embark upon such a program,[8] labor leaders turned with almost complete unanimity to a panacea offered two decades before by an obscure writer on political economy.

The author, whose name was Edward Kellogg, had risen from a Connecticut farm to affluence and respectability in New York.[9] When at last the head of his own concern, a wholesale dry-goods house on Pearl street, he was forced to suspend by the panic of 1837. Indignant at the extortions of usurers, who took advantage of the situation, he sought the cause of the calamity in which so many had been involved.[10] Having survived the panic with sufficient means to permit speculation in Milwaukee lots,[11] he became increasingly interested in his philosophical investigations. Finally, he retired from active business and devoted a considerable portion of his time to research.[12] Before this, however, he began in 1841 the publication of a series of pamphlets.[13] These culminated,

[5] Trade-unions and other labor organizations founded this organization at a labor congress in Baltimore in 1866. Ship-carpenters, machinists, carpenters, glass-cutters, coachmakers, molders, printers, curriers, blacksmiths, and plumbers led in the movement culminating in this congress. Commons, *Doc. Hist.*, IX, 126–28, 132–33; T. V. Powderly, *Thirty Years of Labor, 1859 to 1889* (Columbus, Ohio, 1890), pp. 62–63.

[6] Commons, *Doc. Hist.*, IX, 130, 141.

[7] *Ibid.*, p. 138. [8] Commons, *Hist. of Labour*, II, 112.

[9] Edward Kellogg, *A New Monetary System: the only means of Securing the Respective Rights of Labor and Property, and of Protecting the Public from Financial Revulsions. Revised from his work on "Labor and other Capital" with numerous additions from his manuscripts. To which is prefixed a biographical sketch of the author*, edited by his daughter, Mary Kellogg Putnam (New York, 1875), p. xi.

[10] *Ibid.*, pp. xii–xiii.

[11] *John H. Tweedy MSS* (State Historical Society of Wisconsin): Edward Kellogg to John H. Tweedy, New York, November 13, 1849.

[12] Kellogg, *op. cit.*, p. xvii.

[13] *Ibid.*, pp. xiii, xv, xvi–xvii. The first of these, written by a friend at Kellogg's request from facts supplied by the latter, was published in 1841 under the title,

early in 1849, in a volume entitled: *Labor and Other Capital: The Rights of Each Secured and the Wrongs of Both Eradicated. Or, an exposition of the cause why few are wealthy and many poor, and the delineation of a system, which, without infringing the rights of property, will give to labor its just reward.*[14]

Postulating the labor theory of value[15] and the then-accepted distinction between productive and non-productive capital,[16] the author called attention to the paradox presented by the rapid accumulation of wealth in the hands of a few.[17] To him, this phenomenon was unattributable to their productive powers.[18] It existed in spite of the fact that "present labor" as distinct from saved labor "is indispensable to human existence" and consequently deserves a greater reward.[19] In his search for the cause of this condition, Kellogg developed two interrelated doctrines that profoundly influenced radical thinking of the post-war period. The first was the legal-tender theory of money. The second was a theory of interest.

Money, he declared, is the creature of law. All its distinctive properties are derived from the laws creating it.[20] These properties, namely, the power to represent value, to measure value, to accumulate value by interest, and to exchange value, may by law be given to any convenient substance.[21] They become effective

---

Remarks upon Usury and Its Effects: A National Bank a Remedy; in a Letter, &c., by Whitehook. The second appeared in August, 1843, under the title, *Usury: The Evil and the Remedy*, and later, in the same year, with additions, entitled *Currency: The Evil and the Remedy*, by Godek Gardwell. (6th ed.; New York, 1846.)

[14] Published by the author. Extracts from the manuscript had previously appeared in January and May, 1848, in Freeman Hunt's *Merchants' Magazine and Commercial Review* (New York), XVIII, 65, 625.

[15] *Labor and Other Capital*, pp. xi, xv, xxii; cf. *Currency: The Evil and the Remedy*, p. 15.

[16] *Labor and Other Capital*, pp. xx–xxii. This distinction as made here and by contemporary writers such as Proudhon (*What Is Property? An Inquiry into the Principle of Right and of Government*, trans. Benjamin R. Tucker [Princeton, Mass., 1876], pp. 159, 164, 166–67) is that the tools of production, capital, are unproductive when disassociated from the productive effort of the owner.

[17] *Labor and Other Capital*, p. xviii.

[18] *Ibid.*, p. xx.

[19] *Ibid.*, pp. xxii.

[20] *Ibid.*, p. 42.

[21] *Ibid.*, pp. 42, 73.

through legal-tender powers conferred by law.[22] Money, therefore, is simply a legalized agent.[23] Its value depends not upon the material of which it is made.[24] Nor does it depend upon the quantity,[25] although a substance limited in quantity, such as gold, enables its owners to extort a high price for its use.[26] Monetary value depends rather upon legal power to accumulate value by interest.[27] The prevailing interest rate fixes the value of the dollar as a medium of exchange.[28]

Thus the power of accumulation by compound interest, which Proudhon ascribed to property as the determinant of its value,[29] was transferred by Kellogg to money, its legal representative.[30] To Kellogg, as to Proudhon, this accumulative power was the means whereby the "whole surplus earnings" of labor were preempted by the capitalists and labor reduced to the subsistence level.[31] Instead, however, of seeing in it the ultimate destruction of capital itself, as Proudhon predicted,[32] Kellogg recognized in it the all-pervading force which, by fixing rent and the use of all property, determined the reward of labor.[33] True, "if the interest on money be too high, a few owners of capital will inevitably accumulate the wealth and products of the many."[34] Yet, if this accumulation could be stopped, farmers and mechanics "could devote the labor now expended in the support of non-producers" to increasing their own comforts and conveniences.[35] Thus, if excessive interest rates deprive labor of its just reward and divert its savings to the capitalists,[36] and, if accumulation by interest is

[22] *Ibid.*, pp. 68, 72.

[23] *Ibid.*, p. 42.

[24] *Ibid.*, pp. 42, 68–69, 71; cf. *Currency: The Evil and the Remedy*, p. 4: ". . . . That it derives all its value as a currency from law, and law only, and that pebbles or any other material would answer the same purpose as gold and silver, if law could make them a tender for debt, and control the quantity."

[25] *Labor and Other Capital*, pp. 56, 232.

[26] *Ibid.*, p. 66.

[27] *Ibid.*, pp. 56, 58.

[28] *Ibid.*, p. 56.

[29] *What Is Property?* pp. 153, 155.

[30] *Labor and Other Capital*, pp. 40, 42.

[31] *Ibid.*, p. 75; Proudhon, *op. cit.*, p. 216.

[32] *Proudhon*, pp. 215–16.

[33] *Labor and Other Capital*, p. 75.

[34] *Ibid.*, pp. 74, 75–88, 151–54.

[35] *Ibid.*, pp. 88, 102.

[36] *Ibid.*, pp. 75, 90, 95, 155.

a necessary function of money delegated to it by law, the evil lies in existing monetary laws and can be remedied only by legislation.[37] The remedy lies first in determining an interest rate guaranteeing to labor its proper share of production. This, of necessity, would be no greater than labor's "natural power of production" measured by the per cent annual increase in national wealth.[38] Finally, some monetary system must be discovered which, by breaking the money monopoly enjoyed by the capitalists, would enforce this interest rate throughout the nation.[39] Only by such a monetary system could "the distribution of products be properly regulated."[40]

After rejecting the existing bank currency which, as he said, rested on a fictitious basis and supported a money monopoly in Wall Street,[41] Kellogg applied his remedy through a currency system already elaborated by Thomas Mendenhall[42] in 1816 and 1834.[43] As adapted to Kellogg's theory of interest, the plan was as follows. It provided for a paper currency to be issued from a cen-

[37] *Ibid.*, p. 155.

[38] *Ibid.*, pp. 158–60; cf. *Currency: The Evil and the Remedy*, p. 16. This Kellogg estimated at from 1 to $1\frac{1}{10}$ per cent (*Labor and Other Capital*, p. 165).

[39] *Labor and Other Capital*, pp. 235, 321.

[40] *Ibid.*, p. 250.

[41] *Ibid.*, pp. 176–236.

[42] *National Money, or a simple System of Finance; which will fully answer the demands of trade, equalize the value of money, and keep the government out of the hands of stock-jobbers. In Three Letters, Addressed by a Citizen of Washington to the Congress of the United States* (Georgetown, Va., 1816).

[43] *An Entire New Plan For A National Currency: Suited to The Demands of This Great, Improving, Agricultural, Manufacturing & Commercial Republic, With appropriate Introductory and Concluding Remarks, To which is added, A Plan For A Real National Bank* (Philadelphia: J. Rakestraw, 1834).

A plan for a convertible currency, exchangeable with bonds, which aimed to regulate interest rates by the volume of money, may be found in the following work: Thomas Law, *An Address to the Columbian Institute, on a Moneyed System* (Washington, 1828). Although Kellogg may have seen this work, it is unlikely that it influenced him, since its doctrine of interest was so different from his own. Another possible source of the idea of a paper currency convertible into bonds was an article on "Banks and Banking," in the second volume of the *London Encyclopedia* of 1833 (see James Taylor, *American Currency: The Political Issue of the Day* [Chicago, 1876], p. 25). A comparison of Kellogg's chapters on the Safety Fund with Mendenhall's second pamphlet, however, indicates the latter as the probable source of the former's financial proposals.

tral office with branches in the several states. This currency was to be loaned to individuals, upon real estate security, and at an interest rate uniform throughout the nation. With interest fixed by the government at that rate which would secure to labor and capital their respective rights, and representing actual property in the form of real estate mortgages bearing interest, this currency would possess a uniform value everywhere in the United States. Issued by the central government through the branch loan offices to all who offered good and permanent security, it would free property and labor "from the tyranny . . . . exercised over them by the capricious power of money."[44] Finally, to guard against an overissue, and to guarantee to all money the opportunity to accumulate value by interest, this money could be converted periodically at the will of the holders into government bonds bearing interest slightly lower than that charged on mortgage loans. Such a currency, representing actual property, with its power to accumulate limited to a just rate of interest, would be a perfect and invariable measure of value. Through its convertibility into government bonds, and from bonds back into currency, its volume would be flexible, and always limited to the requirements of business. Legal-tender powers would complete its qualifications as a medium of exchange.[45]

Once put into effect, the result would be a social revolution. As Kellogg said:

> . . . . Useful productions would probably increase from twenty-five to fifty per cent. Wealth, instead of being accumulated in a few hands, would be distributed among producers. A large proportion of the labor employed in building up cities would be expended in cultivating and beautifying the country. Internal improvements would be made to an extent, and in a perfection unexampled in the history of nations. Agriculture, manufactures, and the arts would flourish in every part of the country. Those who are now non-producers would naturally become producers. Products would be owned by those who performed the labor, because the standard of distribution would nearly conform to the natural rights of man.[46]

[44] *Labor and Other Capital*, p. 252.

[45] *Ibid.*, pp. 250–71. Offices of the Safety Fund could, if desired, be made offices of discount and deposit (*ibid.*, p. 266).

[46] *Ibid.*, p. 165.

This attractive but peaceful revolution would be accompanied by the destruction of the money monopoly,[47] by the elimination of land speculators,[48] of foreign capitalists,[49] and of poverty among producers.[50] Debtors would free themselves from burdensome debts,[51] and the plentiful supply of currency would benefit day laborers fully as much as property owners.[52] All these, together with the assertion that the evils complained of could be remedied only by legislation and political action on the part of farmers and laborers,[53] contained a powerful appeal to the interests and democratic traditions of those classes which were confronted by the rising capitalism of the post-war period. Equally attractive was the statement that these ends could be achieved without any infringement of liberty of contract, private enterprise, and private property in production and business.[54] Thus, in spite of its similarity to the conceptions of Marx and Proudhon, and to the financial proposals of Louis Blanc, Marx and Lasalle,[55] Kelloggism remained essentially American in method and appeal.

Such was the strange and revolutionary philosophy to which the leaders of the National Labor Union turned in 1867. A new edition of Kellogg's book, published in 1861,[56] had been followed by a powerful and widely read[57] pamphlet by Alexander Campbell, published at Chicago in 1864. Entitled *The True American System of Finance*, it appealed to farmers to join with labor in overthrowing the national banking system.[58] After restating Kellogg's

[47] *Ibid.*, p. 252.

[48] *Ibid.*, p. 287.

[49] *Ibid.*, p. 281.

[50] *Ibid.*, p. 284.

[51] *Ibid.*, pp. 259–60.

[52] *Ibid.*, p. 259.

[53] *Ibid.*, pp. xxiv, 277, 293–94.

[54] *Ibid.*, pp. xxiv, 292.

[55] For an excellent analysis of Kelloggism as adapted by the National Labor Union in its relation to current European philosophies, see Commons, *Doc. Hist.*, IX, 33–41.

[56] *A New Monetary System: the only means of securing the respective rights of labor and property, and of protecting the public from financial revulsions. Rev. from his work on "Labor and other capital," with numerous additions*, ed. Mary Kellogg Putnam (New York, 1861).

[57] See James C. Sylvis, *The Life, Speeches, Labors and Essays of William H. Sylvis, Late President of the Iron-Moulders' International Union; and also of the National Labor Union* (Philadelphia, 1872), p. 371.

[58] A. Campbell, *The True American System of Finance; the Rights of Labor and Capital, and the common sense way of Doing Justice to the Soldiers and their Families.*

legal-tender theory, it proposed to apply his doctrine of interest by adapting his interconvertible-currency scheme to the debt and greenbacks left by the war. With the currency under the control of the people, and interest lowered to 3 per cent, the estimated rate of national saving, labor would receive its just reward, and the national debt would be liquidated with ease.[59] The work of Campbell—who was later referred to as the "Moses" of the early currency reformers[60]—was supplemented by the activity of others, who exerted considerable influence in the labor world. Such were Congressman Andrew J. Kuykendall, of Vienna, Illinois;[61] A. C. Cameron, editor of the *Chicago Workingman's Advocate*,[62] organ of the National Labor Union; William H. Sylvis, of Philadelphia, president of the Iron-Moulders' International Union;[63] and Richard F. Trevellick, of Detroit. Under their guidance

---

No Banks! Greenbacks The Exclusive Currency (Chicago, 1864), pp. 16–27. Campbell gave specific credit to Kellogg for all quotations, and general credit for the doctrines and proposals included in this work, stating that they were drawn from the *New Monetary System* which he declared to be "*the Gospel of Finance.*" This he urged all laborers to read (*ibid.*, p. 7 n.).

[59] *Ibid.*, pp. 27–32, 43–44.

[60] Robert Schilling, "History of the People's Party," *Official Souvenir of the National Convention of the People's Party at St. Louis, Mo., July 22, 1896* (Milwaukee, 1896), pp. 5–6. Schilling referred to Kellogg's doctrine of usury and to his book. He called the latter "the Bible of the early currency reformers" (*loc. cit.*).

[61] *Congressional Globe, 39 Congress, 2 Session* (1866–67), pp. 318, 576–82. In the address supporting the bill proposed here to establish the interconvertible-currency system, Kuykendall repeats all of Kellogg's exclusive doctrines, pays tribute to Kellogg by name, and draws upon A. Campbell's pamphlet for his illustrations (*ibid.*, pp. 576–82). Both the bill and the speech were widely circulated (Sylvis *op. cit.*, p. 371).

[62] See *The Address of the National Labor Congress to the Workingmen of the United States* (Chicago, 1867), in Commons, *Doc. Hist.*, IX, 148–51. Written by Cameron, as chairman of the committee on address appointed by the Baltimore Convention, it repeats the fundamental doctrines of Kelloggism. Cameron was on the committee on political organization of the Chicago congress, which reported the Declaration of Principles embodying the Kellogg system, and a resolution advocating the establishment of a National Labor party to carry it into effect by legislation (*ibid.*, pp. 175, 176–81).

[63] See articles on money taken from the *Chicago Workingman's Advocate* (Sylvis, *op. cit.*, pp. 300–301, 355, 359, 371–72). Sylvis gave specific credit to Kellogg for originating the monetary doctrine and program of the National Labor Union (*ibid.*, p. 371), discussed their dissemination by Campbell and Kuykendall, and quoted from Kellogg in his articles. Speaking of the Chicago platform, he declared: "This

the Chicago Labor Congress of August, 1867, embodied in its Declaration of Principles the economic philosophy of Kelloggism. It denounced the national banking system as the parent of all monopolies, and urged the modified monetary system proposed by Alexander Campbell as the indispensable reform without which "co-operation in production and . . . . distribution could not succeed." This interconvertible, exclusive, greenback currency, fixing interest at 3 per cent, it named "the true American, or people's monetary system," whereby alone "the natural rights of labor" could be secured and a fair distribution of products consummated.[64]

While independent political action was being considered by member organizations,[65] leaders of the organization sought to accomplish their ends through the old parties. After a bill introduced in Congress by General Samuel F. Cary, of Cincinnati, Ohio,[66] had failed of success, President Johnson's friends were approached in an attempt to persuade him to stand for re-election upon labor's platform.[67] Later, in July, a special conference of labor leaders met at New York during the Democratic National Convention of 1868. There they pressed the adoption of labor's monetary system upon the platform committee. When it was rejected, they supported the Pendleton plan to liquidate the war debt with greenbacks, and later claimed to have exerted decisive support in getting it written into the Democratic platform.[68] Johnson was again approached early in September. Horace Day, of New York, argued that the "people's monetary system" would

---

document I consider one of the most important ever issued in any age of the world. It is the second Declaration of Independence, and contains the principles upon which must be fought the great battle for the emancipation of labor" (*ibid.*, p. 265). On November 16, 1868, he declared that "*when a just monetary system has been established, there will no longer exist a necessity for trade-unions*" (*ibid.*, pp. 81–82).

[64] Commons, *Doc. Hist.*, IX, 176–81.

[65] *Ibid.*, p. 183: proceedings of the Chicago convention.

[66] *Globe, 40 Congress, 2 Session*, pp. 779, 3885.

[67] *Andrew Johnson MSS* (Library of Congress), CXLV, 22552: Horace H. Day to President Johnson, New York, September 7, 1868.

[68] *Ibid.* Cf. Commons, *Hist. of Labour*, II, 125–26.

relieve the South, restore it to its proper relation to the Union, and "break the backbone" of the Radicals in Congress.[69] Finally, after the election, John Maguire wrote to President Grant from St. Louis, urging upon him the program of the National Labor Union.[70]

In the interim, the Annual Convention, representing over six hundred thousand organized workers,[71] met in New York City in late September. It resolved upon "the immediate organization of an independent labor party"[72] to accomplish the fulfilment of its program, and reindorsed Kelloggism as the sovereign remedy for labor's ills.[73] In the following year President William H. Sylvis pushed the organization of the reform party vigorously. Once its monetary system were put into effect, he urged, there would be no need of trade-unions. "Such a social revolution as the world has never witnessed" would follow its adoption; "honest industry in every department" would "receive its just reward, and public thieves . . . . compelled to make an honest living or starve."[74] His tour of the South,[75] and speeches made in Congress by General S. F. Cary,[76] Benjamin F. Butler,[77] and J. T. Deveese of Raleigh, North Carolina,[78] marked the high tide of this phase of Kellogg's

[69] Day to Johnson, *loc. cit.* See pamphlet inclosed with the same.

[70] Sylvis, *op. cit.*, pp. 86–87.

[71] Commons, *Hist. of Labour*, II, 126.

[72] Commons, *Doc. Hist.*, IX, 204; Powderly, *op. cit.*, pp. 92–93; cf. Letter from William H. Sylvis, quoted by Powderly, *op. cit.*, pp. 78–79.

[73] Commons, *Doc. Hist.*, IX, 206.

[74] Sylvis, *op. cit.*, pp. 86–87, 226–27, 228–29, 330; circular to member organizations of the National Labor Union, Philadelphia, November 16, 1868; cf. Powderly, *op. cit.*, pp. 78–79.

[75] Sylvis, *op. cit.*, pp. 80–82.

[76] *Ibid.*, p. 86. Cary's speech circulated widely along with his bill in pamphlet form and contained a complete exposition of Kelloggism. See *The Rights of Labor: Against Land and Money Monopolies; and an Argument in Favor of an American Monetary System. Speech of Hon. Samuel F. Cary, of Ohio, delivered in the House of Representatives, January 5, 1869* (Washington, 1869). Cary had been supported successfully for re-election to Congress by the National Labor Union (Commons, *Doc. Hist.*, IX, 205).

[77] *Globe, 40 Congress, 3 Session*, pp. 303–10; cf. Sylvis, *op. cit.*, p. 86.

[78] *Globe, 40 Congress, 3 Session*, Appendix, p. 215.

influence. New editions of his[79] and Campbell's[80] works were published in 1868. In the previous year Peter Cooper had been won to the support of the interconvertible-currency system.[81]

The culmination, in 1870–72, of the movement to organize an independent labor party, was marked by the withdrawal of the trade-unions from the National Labor Union. Aggressive in these years of prosperity, more interested in collective bargaining than they were in the accomplishment of a revolutionary program, they broke with the organization over the question of political action.[82] This left it controlled by the older leaders, now "primarily political agitators," and by intellectuals, such as Horace Day.[83] In spite of the collapse of the organization, these "labor reformers" succeeded in creating the Labor and Reform party, whose only national convention met at Columbus, Ohio, on February 21, 1872.[84] This body adopted as its own the platform of the National Labor Union—Kelloggism with "improvements"[85]—only to find that it had been made the tool of politicians striving to control the nominations of the major parties. After the panic of 1873 Kelloggism revived in popularity in labor ranks. The industrial congresses of 1873 and 1874, called by the trade-unions, adopted in revised form the declaration of principles of the defunct National Labor Union, in spite of opposition to the monetary plank made by a few trade-unionists.[86] The "preamble" adopted by the second of these congresses became, in 1878, after

[79] New York, 1868. Title the same as that of the second edition.

[80] This appeared under the title, *The True Greenback, or the Way To Pay the National Debt without Taxes and Emancipate Labor.* See Commons, *Hist. of Labour*, II, 120.

[81] Peter Cooper, *Ideas for a Science of Good Government in Addresses, Letters and Articles on a Strictly National Currency, Tariff and Civil Service* (2d ed.; New York, 1883), p. 10.

[82] Schilling, *op. cit.*, p. 7; Commons, *Hist. of Labour*, II, 151–53.

[83] Commons, *Hist. of Labour*, II, 153.

[84] *Ibid.*, pp. 154–55.

[85] Ellis B. Usher, *The Greenback Movement of 1875–1884 and Wisconsin's Part in It* (Milwaukee, 1911), p. 11; Edward Stanwood, *A History of the Presidency from 1788 to 1897* (Boston, 1924), I, 336.

[86] Schilling, *op. cit.*, pp. 7–9; cf. Commons, *Hist. of Labour*, II, 161; Usher, *op. cit.*, p. 9; Powderly, *op. cit.*, pp. 119–20.

some modification, the "preamble" of the Knights of Labor.[87] In the latter, however, the interconvertible feature was dropped. There the demand was simply for a legal-tender national currency, issued by the government direct to the people.[88]

In the meantime, seed sown by the labor reformers had taken root in the country.[89] An early interest in Kelloggism had been evidenced by the antimonopoly associations of Illinois, owing to the influence of Alexander Campbell.[90] This was revived in the second annual meeting of the Illinois State Farmers' Association, the "most radical and aggressive" of agricultural organizations formed during the Granger movement.[91] There the National Labor Union's monetary system was presented in a paper sent by Horace H. Day, of New York.[92] M. M. Hoontoon, of Centralia, a vice-president of the Association, presented Alexander Campbell's views,[93] while a member from Jo Daviess County urged the adoption of Kellogg's land-loan plan as a means of freeing the producing classes from "vassalage to the money power."[94] The interconvertible-bond and currency scheme was included in the platform.[95] A year later, at the third annual convention, after an independent political movement sponsored by the Association had

[87] Schilling, *op. cit.*, p. 10; cf. Powderly, *op. cit.*, pp. 396–97: "Those who read the platforms of the National Labor Union and the Industrial Brotherhoods will find that the men who attended the conventions of these associations considered the currency question the most important of all that came up for consideration."

[88] Powderly, *op. cit.*, p. 367. Of this, Powderly said: "No other section of the preamble has attracted less attention than that, and none other is more important to the people" (*ibid.*, p. 398).

[89] Schilling, *op. cit.*, p. 9.

[90] Both the state and the Eden Auxiliary Anti-monopoly associations were represented in the Chicago Congress of the National Labor Union in 1867. Alexander Campbell was one of the delegates. To these should be added, perhaps, two Land and Labor Reform leagues from Grand Rapids. The delegate from one of them, William A. Berkey, later wrote a book based upon Kellogg's ideas (Commons, *Doc. Hist.*, IX, 170, 175).

[91] Schilling, *op. cit.*, p. 9.

[92] *Proceedings of the Second Annual Meeting of the Illinois State Farmers' Association Held at Decatur, Dec. 16, 17 & 18* . . . . (Chicago, 1874), pp. 44–55.

[93] *Ibid.*, pp. 86–95.

[94] *Ibid.*, pp. 59–67.

[95] *Ibid.*, pp. 101, 109.

gained seventy-five thousand votes in Illinois,[96] Kelloggism was again presented to the Association, this time by Richard F. Trevellick, former president of the National Labor Union,[97] and by A. O. Grigsby of Piatt County.[98] The platform again supported the interconvertible-currency system. It also indorsed the coming independent political reform convention at Cleveland, to meet on March 11, 1875, and arranged for the sending of delegates.[99] This was followed by the merging of the Illinois reform party with the Independent or Greenback party at Indianapolis in May, 1876.[100] In these years, also, the farmers' party of Indiana had adopted "greenbackism." It had taken the initiative in the organization of the Greenback party on a national scale.[101] The invitation extended to labor reformers—A. C. Cameron, Richard F. Trevellick, H. W. Wright, and Horace H. Day—to attend their first national conference at Indianapolis on August 12, 1874, indicates the recognition of the existence of an identity in principle between agrarian and labor radicals.[102] For this their common support of Kelloggism must have been in part responsible.

In these years Kelloggism spread rapidly. In the East, Horace Greeley and the *New York Tribune* had come to the support of the interconvertible currency.[103] H. C. Carey, of Philadelphia;[104]

[96] *Illinois Blue Book, 1899* (Springfield, 1899), p. 264. Cf. Solon J. Buck, *The Granger Movement* (Cambridge, 1913), p. 96; *Proceedings of the Third Annual Meeting of the Illinois State Farmers' Association Held at Springfield, January 19, 20, and 21, 1875* (Chicago, 1875), p. 7.

[97] *Proceedings, etc.*, p. 56.

[98] *Ibid.*, pp. 50–56.

[99] *Ibid.*, p. 57.

[100] Commons, *Hist. of Labour*, II, 170. At this convention S. M. Smith of the Illinois State Farmers' Association was acting chairman (Buck, *op. cit.*, pp. 98, 101–2).

[101] *Ibid.;* Commons, *Hist. of Labour*, p. 168.

[102] *Ibid.;* Schilling, *op. cit.*, pp. 10–11.

[103] *Proceedings of the Second Annual Meeting of the Illinois State Farmers' Association*, p. 47. Paper presented by Horace H. Day of New York. Cf. *New York Tribune*, November 9, 1871.

[104] H. C. Carey, *Currency Inflation: How it has been produced and how it may profitably be reduced. Letters to the Hon. R. H. Bristow, Secretary of the Treasury;* . . . . (Philadelphia, 1874), p. 15.

William D. "Pig-Iron" Kelley;[105] and Francis W. Hughes, leader of the Pennsylvania democracy,[106] also accepted it. Pamphlets appeared at widely scattered points propagating Kellogg's legal-tender theory and advocating the interconvertible currency system. A few added his land-loan plan.[107] Important among the former were Joseph Root's *Catechism of Money*, of Wyandotte, Kansas;[108] Jesse P. Alexander's *Money for All*, of Kansas City, Missouri;[109] William A. Berkey's *Monetary Question*, of Grand Rapids;[110] and R. C. Wolcott's *Solution of the Money Question*, of New York.[111] All repeated the fundamental principles of Kelloggism. The first three paid specific tribute to Kellogg or Alexander Campbell. Also, in 1875, a fourth edition of Kellogg's book appeared.[112]

"Brick" Pomeroy's *Democrat* in Chicago[113] and Cooper's *Advocate* in New York supported the interconvertible system. This had become the leading plank of the Greenback platform and

[105] *Ibid.*, p. 15; William D. Kelley, *Money and the National Finances: An Address Delivered by Request of Citizens of Philadelphia, ... January 15, 1876* (Philadelphia, 1876).

[106] William A. Berkey, *The Monetary Question: The Legal Tender Paper Monetary System of the United States . . . .* (Grand Rapids, Mich., 1876), pp. 263–64. Quoting address delivered by Fr. W. Hughes at Scranton, Pa., October, 1875.

[107] R. C. Wolcott, *Solution of the Money Question* (New York, 1875), pp. 23–24. The *New York Advocate*, published by Peter Cooper, also supported this. See C. F. Sherman, *How I Became a Greenbacker* (Milwaukee, 1882), pp. 19–20.

[108] *Catechism of Money: A Hand-Book On Finance, in the interest of Honest Money for the People of the United States* (Wyandotte, Kan., 1876). For extract from an address by Alex. Campbell, see *ibid.*, pp. 213–16.

[109] *Money For All: or the Economic Science of Money, National banknotes retired—Legal tenders the only paper money—prosperity of every industry* (Kansas City, Mo., 1875; 230 pp.). For reference to Kellogg and A. Campbell see *ibid.*, p. xiii.

[110] For reference to Kellogg, pp. iv–v; for quotations from Kellogg, pp. 30–31, 37, 39–41, 309–12, 342, 383–84. Berkey was a delegate to the Chicago Congress of the National Labor Union in 1867 (Commons, *Doc. Hist.*, IX, 170, 175).

[111] See n. 107. This short pamphlet of but thirty pages contains no references to Kellogg. The theories of interest and money, however, are obviously derived from his book (*ibid.*, pp. 3, 24).

[112] New York, 1875. Title that of the second and third editions. A biographical sketch of the author written by his daughter, Mary Kellogg Putnam, is attached.

[113] January 1, 1876; May 12, 1877. For a repetition of Kellogg's theory of money see *ibid.*, February 3, 1877; for his theory of interest, *ibid.*, February 3, 1877.

continued as such until 1877.[114] Throughout the preliminary conferences which led to the final organization of the Greenback party, the labor reformers, erstwhile members of the National Labor Union, played a prominent part.[115] The Greenback nominee for vice-president in 1876 was the brilliant General S. F. Cary, early proponent of Kelloggism.[116] In Washington, Congressmen Alexander Campbell of Illinois expounded Kellogg's principles of interest, money, labor, and capital, in support of a bill to establish "the American monetary system."[117]

By 1877, however, prolonged depression, approaching specie resumption, falling prices, and growing hostility to the national debt had lent added strength to inflation sentiment. More and more emphasis was placed upon the argument that the stamp of the government and full legal-tender powers were the sources of monetary value. The legal-tender theory had first been propagated by Kellogg and his followers among the post-war radicals. Now the growing strength of "fiat" money sentiment divorced it from his dictum that money must represent actual value.[118] Emphasis now placed upon the quantity of money in relation to the price level involved also the abandonment of his doctrine that the interest rate determines the value of the currency. This change in monetary philosophy is seen in the dropping of the interconvertible scheme during the winter of 1877–78.[119] Instead, there ap-

[114] *Ibid.*, May 12 and July 7, 1877; *Joliet Morning News* (Joliet, Ill.), October 10, 1877; *Prairie Farmer*, February 21, 1891; L. C. Zachos, *The Political Opinions of Peter Cooper* (New York, 1877); George Easterly, *Proposed Act to Aid in Solving the Labor Question* . . . . (Whitewater, Wis., 1878). This demand had been incorporated in the party platform at Indianapolis on May 17, 1876 (Stanwood, *op. cit.*, I, 367–68).

[115] Schilling, *op. cit.*, pp. 10–14; Commons, *Hist. of Labour*, II, 168–70.

[116] Stanwood, *op. cit.*, I, 367; James B. Weaver, *A Call to Action: An Interpretation of the Great Uprising, Its Source and Causes* (Des Moines, 1892), p. 439.

[117] *Congressional Record* (44 Cong., 1st sess.), IV, 739–46: address dated January 29, 1875.

[118] *Labor and Other Capital*, pp. 42–50.

[119] Pomeroy formally repudiated the interconvertible-currency scheme in the *Democrat* on July 1 and 8, 1877, because it did not provide for the retirement of the national debt. Cf. Commons, *Hist. of Labour*, II, 241, 244; Appleton, *Annual Cyclopedia and Register of Important Events of the Year 1878* (New York, 1879),

peared a demand for a per capita volume of money. Many turned to Britton H. Hill's *Absolute Money*. This pamphlet, published at St. Louis in 1875, advocated openly a "fiat," irredeemable, legal-tender currency, deriving its value from the sovereign act creating it.[120] The inclusion of Kellogg's doctrine of interest in the platform adopted by the Toledo Convention of February 22, 1878,[121] and the Convention's failure to demand the immediate payment of the national debt precipitated a split in the National party.[122] In the spring and summer that followed, Pomeroy's *Democrat* and *Good as Gold* led the opposition, bitterly attacking General S. F. Cary, the *New York Advocate*, and the "bond advocates" as "trimmers" "and paid agents of an Eastern money power." Pomeroy demanded a flood of "absolute money" with which to pay off the national debt and destroy the national banks.[123] As early as June, 1878, state Greenback conventions substituted "absolute money" and demands for speedy payment of the national debt for Kellogg planks in the Toledo platform.[124] Before the fall election, the "fiat" wing of the party had definitely gained control. Some conventions, however, tried to reconcile Kellogg's doctrine of interest to the new demands,[125] and the Missouri platform added a plank requiring government loans to local governments at 2 per cent to enable them to pay off their indebtedness.[126] Every-

---

p. 807; Cadmus (John C. Zachos), *Our Financial Revolution: An Address to the Merchants and Professional Men of the Country, without Respect to Parties* (New York, 1878), p. 4.

[120] Britton A. Hill, *Absolute Money: A New System of National Finance, under a Co-operative Government* (St. Louis, 1875), pp. iii, v, vi, 46–48, 76. Hill rejected the interconvertible-currency plan (*ibid.*, pp. 50–51). His system was outlined two years earlier in a work entitled *Liberty and Law*.

[121] Appleton, *op. cit.* (1878), p. 807.

[122] *Good as Gold* (Chicago), June 10 and 17, July 15, 1878. For a contrary view see Schilling, *op. cit.*, p. 14.

[123] *Good as Gold*, June 10 and 24, July 1 and 15, 1878.

[124] *Ibid.*, June 17 and 24, 1878; Appleton, *op. cit.* (1878), pp. 682–83, 442, 560, 514, 577, 622–23, 613, 533, referring to the state conventions of Pennsylvania, Indiana, Michigan, Maine, Missouri, New York, New Jersey, Massachusetts, respectively.

[125] *Ibid.*, pp. 682–83, 442, conventions of Pennsylvania and Indiana.

[126] *Ibid.*, p. 577.

where, seemingly, Kelloggism had given way before the demand for inflation.[127] Naught but his legal-tender theory remained. Even then, B. S. Heath, one-time associate of Pomeroy on the staff of the *Democrat*, and later proprietor of the *Pekin* (Ill.) *Legal Tender*, drew upon Kellogg's legal-tender theory by reference and quotation in constructing his system of "absolute money." This he elaborated in a work entitled *Labor and Finance Revolution* which went through six editions between 1880 and 1891.[128]

Changing conditions, however, robbed the "Greenback song" of "its ancient charm." Successful resumption was followed by an increase in the volume of currency and by higher prices for agricultural produce. This brought quick collapse to the inflation movement.[129] Although the "fiat" theory of money remained ingrained in the radical philosophy, greenbackism was of diminishing importance in the eighties. Radicalism of the "producing" classes which intended to revise the distribution of wealth and by destroying "non-producers" restore economic independence to farmer and laborer rallied around the Knights of Labor or in the Alliance movement.

Direct heirs of the labor philosophy of Sylvis, Trevellick, and Cameron,[130] the Knights of Labor undertook the destruction of "wage-slavery." Like the National Labor Union, they first sought to accomplish this by a system of productive and consumptive co-operation.[131] Hampered by lack of credit, however, and still re-

[127] *Joliet Morning News*, July 9, 1879; *Alson J. Streeter Scrapbook* (in the possession of Mr. C. D. Streeter, Keokuk, Iowa), letter from A. J. Streeter to the *Aledo Record*, New Windsor, Ill., January 17, 1878; John S. Bender, *Money, Its Definition and Tests* (Plymouth, Ind., 1879); *National Greenback and Labor Shot and Shell, Original and Selected*, catechism by J. H. Randall, songs by W. S. Lurton (Clyde, Ohio, 1878), Cadmus, *op. cit.* n.p.

[128] *Labor and Finance Revolution—Together with a Biography of the Author* (6th ed., Chicago, 1891), pp. xxvii, 54–56, 104–6. Like the *Joliet News*, July 9, 1879, Heath was still interested in the problem of usury and in Kellogg's doctrine of interest (*op. cit.*, pp. 199–201).

[129] *Chicago* (weekly) *Express*, June 14, 1881; Commons, *Hist. of Labour*, II, 248–49.

[130] Commons, *Hist. of Labour*, II, 354.

[131] Powderly, *op. cit.*, pp. 458–59, 460. They also sought to free the land from monopolistic control and thus to give "men the chance to become their own em-

garding interest as the great oppressor,[132] they turned to Kellogg's proposal that the national government lend legal-tender currency to producers at an interest rate less than the annual rate of increase in national wealth. Already, in 1881, this had been advocated by pamphleteers, one of whom was Richard Trevellick.[133] Another was J. H. Severance, of Milwaukee, who proposed a subtreasury system whereby the government would lend money to the people and accept deposits. By this means, Severence declared, "interest, bonds and the whole speculating power that now owns and runs the government" would be destroyed.[134] Continued interest in Kellogg's philosophy produced a fifth and cheap edition of his book in 1883.[135] Finally, in the General Assembly held at Hamilton, Ontario, on October 5, 1885, the Knights of Labor formally accepted the land-loan plan as its own. The petition to Congress, presented in support of this proposal, is a classic expression of Kelloggism, containing Kellogg's theories of value, money, interest, and distribution. It repeated also his belief that the concentration of wealth in the hands of non-producers was due to the "want of proper legislation" fixing a just and invariable rate of interest.[136] This petition was readopted at the Cleveland General Assembly, June 1, 1886. There given to the press,[137] it was indorsed by such farmers' papers as the *Chicago Express*[138] and the *Western Rural*.[139] This land-loan plan had been an issue in

---

ployers" (Powderly, quoted by Nathan Fine, *Labor and Farmer Parties in the United States, 1828–1928* [New York, 1928], p. 120).

[132] *Ibid.; Knights of Labor* (Chicago), April, 1886; March 12, 1887; *John Swinton's Paper* (New York), April 12 and 26, May 3 and 17, 1885; S. M. Jelley, *The Voice of Labor* (Chicago, 1887), pp. 68–69, 81.

[133] *Money and Panics* (Detroit, 1881), p. 15. See *Chicago Sentinel* (S. F. Norton, proprietor), November 29, 1883, for reference to Louis Bristol of Vineland, N.J.

[134] *A Lecture on the Industrial and Financial Problem* (Milwaukee, 1881), pp. 25–26. This, the author declared, would relieve every indebted western farmer (*ibid.*, p. 26).

[135] Edward Kellogg, *Labor and Capital: A New Monetary System . . . . Lovell's Library*, III, No. 3 (May 15, 1883).

[136] Quoted in full in *Labor: Its Rights and Wrongs . . . .* (Washington, D.C., 1886), pp. 217–20.

[137] *Ibid.*, p. 217.

[138] June 12, 1886.

[139] XXIV (Chicago, July 3, 1886), 424.

the local election in Wayne County (Detroit), Michigan,[140] the previous autumn, and was included in the platform of the independent labor party in Wisconsin in 1886.[141] It was supported by W. D. Vincent, of Clay Center, Kansas,[142] and later by John Davis, well-known Knight of Labor from the same state.[143]

While the Knights of Labor experienced an abrupt decline after their venture into politics in 1886, agrarian radicalism revived and flowered luxuriantly. Child of agricultural depression and farm-mortgage indebtedness, the Alliance movement turned to the philosophy which taught that "usury" and "money monopoly" were fundamentally responsible for trusts and millionaires. Perhaps the first agrarian advocates of the revived Kelloggism were the leaders of the expiring greenback movement. Of these, Colonel S. F. Norton, editor and proprietor of the *Chicago Sentinel*, was outstanding.[144] On November 29, 1883, the *Sentinel* reversed its previous position and came out flatly for the land-loan plan. In the same number Norton offered the cheap edition of Kellogg's book as a premium for a year's subscription. The comment accompanying the offer is illuminating.

LABOR AND CAPITAL

This is the well-known work of Edward Kellogg. It is indeed another most remarkable book. A few years ago it could not be obtained for less

[140] J. H. Eakins, *Address to Knights of Labor and the Producing and Distributing Classes* (Detroit, October, 1885), pp. 2–4. The author, a member of the Knights of Labor, was candidate for sheriff on the Greenback ticket.

[141] Commons, *Hist. of Labour*, II, 462; see also the second of the three resolutions offered by the Knights of Labor to the resolutions committee of the St. Louis Industrial Conference, February 24, 1892 (*Chicago Tribune*, February 24, 1892).

[142] Jelley, *op. cit.*, pp. 64–85.

[143] *The National Economist*, IV (Washington, D.C., December 27, 1890), 238. Earlier, in 1886, Mr. Davis was opposed to the land-loan plan. See article by him on "Finance" in the *Weekly Labor Bulletin* (Decatur, Ill.), August 26, 1886.

This demand for land loans at low interest rates gives added meaning to the fourteenth plank of the "Preamble" which reads: "The establishment of a National monetary system, in which a circulating medium in necessary quantity shall issue direct to the people, without the intervention of banks; . . . ." (*Knights of Labor* [March, 1886]).

[144] Norton's *Sentinel* was the best Greenback paper in the country, according to the *Sunday Gazette* of Washington, D.C. (extract in the *Sentinel*, March 27, 1884).

than $1.50 per volume. It is quite as well known by the title of "Kellogg on Finance" as by that of "Labor and Capital." It always has been and still is a standard work among Greenbackers. . . . .

"Usury," "Old Shylock," and the national banking system received their due share of attention in the *Sentinel*,[145] while Norton maintained that government loans to farmers would ultimately wipe out rural indebtedness and abolish usury.[146] He declared, "unless this is *done* our boasted Republic is a ruin; our freemen are paupers, our farmers mere tenants."[147]

Late in 1885 B. S. Heath followed suit in the *Chicago Express*,[148] and gathered signatures to a petition to Congress in support of the land-loan plan.[149] At the same time he carried an advertisement of Kellogg's work, recommending that it be "read by all, regardless of class."[150] In his columns he preached the labor theory of value and emphasized the dangers arising from the accumulative power of interest.[151] On September 18, 1886, the *Express* published a series of plans advocating government loans to the people on landed security. The first of these was "Edward Kellogg's Plan," of which the rest, offered by the *Irish World*, Peter Cooper, O. A. McGuinn, Leonard Brown, Charles Sears, and B. S. Heath, were but adaptations. Before this the *Iowa Tribune* had come to the support of the land-loan plan.[152] At this time, also, Rev. D. Oglesby, of Richview, Illinois, began his career as a serialist. Articles of his supporting the plan appeared in the *Express* in 1886,[153] and later in the *American Nonconformist* of Winfield, Kansas.[154] In Kansas, by 1888, the idea of government loans to the

[145] *Ibid.*, November 29, December 27, 1883; January 24, May 29, 1884.

[146] *Ibid.*, November 29, 1883; May 15, September 11, 1884.

[147] *Ibid.*, October 30, 1884. In the number of April 17, 1884, Norton quoted a long extract from Kellogg's *Labor and Capital* in support of his argument for a legal-tender irredeemable paper currency.

[148] December 5, 1885. [149] *Ibid.*, December 5, 1885; January 9 and 16, 1886.

[150] *Ibid.*, December 26, 1885; February 20, 1886.

[151] *Ibid.*, January 9, March 13, 1886.

[152] Extract published in the *Express*, May 22, 1886.

[153] *Ibid.*, beginning with February 27, 1886.

[154] *American Nonconformist and Kansas Industrial Liberator*, January 26, 1888. See extract quoted by Raymond C. Miller, *The Populist Party in Kansas* (Ph.D. dissertation, typewritten, University of Chicago, June, 1928), p. 149.

people was widely held.[155] Previously, in 1886, the Farmers' and Laborers' Co-operative Union of America had placed this demand in the first plank of its platform.[156] In 1888, the Union Labor party, whose first national chairman had been B. S. Heath, included it in the "money" plank of its platform as an essential portion of "a national monetary system in the interest of the producer."[157] Scores of letters in support of the land-loan plan were published in the *Farmers' Voice*, an outstanding advocate, and in the *Western Rural*,[158] *National Economist*,[159] and *Prairie Farmer*[160] as well. Such were those from Norman Cowdoin, of Chester, Nebraska,[161] and others written by J. Burrows, of Filley, Nebraska, president of the National Farmers' Alliance in 1889–1890.[162]

Finally, at the annual convention of the National Farmers' Alliance meeting at Des Moines, Iowa, January 10–11, 1889, a memorial to Congress in behalf of the land-loan plan was adopted. In it we find Kellogg's doctrine that the interest rate determines the distribution of wealth offered as the fundamental principle justifying the proposal.[163] The source of this doctrine of interest is fully revealed in an article published in the *National Economist* by J. Burrows, the president, in refutation of the theories of

[155] *Ibid.*, pp. 149–50.

[156] *Chicago Express*, June 17, 1886: letter from G. Campbell, Mound City, Kan.

[157] *Ibid.*, April 25, 1891; *Western Rural*, XXVI (July 21, 1888), 457; Stanwood, *op. cit.*, I, 461–62. The text in the latter should read "and loaned" instead of "or loaned." For the place held by the land-loan plan in the reform program advocated by A. J. Streeter, candidate of the party for president, see letter dated April 30, 1888, to the *Farmers' Voice*, May 12, 1888. Cf. Letter from "Union Labor," Walnut, Crawford Co., Kan. (*ibid.*, July 7, 1888).

[158] XXV (January 29, 1887), 69: letter from a committee of the Farmers' Alliance of Lowry City, St. Clair Co., Mo.; XVII (September 7, 1889), 569.

[159] I (June 29, 1889), 329, W. Hunt of Ancora, N.J., on "The Impending Crisis"; II (November 23, 1889), 159, Clark Orvis, "The Basis of Union"; II (January 11, 1890), 293, extract from the *Butler* (Mo.) *Local News;* II (February 1, 1890), 315, extract from the *Indianapolis Leader.*

[160] August 2, 1890.

[161] *Farmers' Voice*, June 9, July 21, 1888; April 2 and 20, 1889.

[162] *Ibid.*, February 4, October 13, 1888; July 13, September 7, 1889.

[163] *National Economist*, I (March 14, 1889), 10; *Western Rural*, XXVII (April 6, 1889), 217; N. B. Ashby, *The Riddle of the Sphinx* (Des Moines, 1890), pp. 316–22.

Henry George.[164] Entitled "Which Is the Controlling Factor, Interest or Rent?" it refers the reader thrice to Kellogg's *Labor and Capital* (Lovell Library), which it urges all to read. From the latter the argument is obviously drawn.

The land-loan plan remained the chief demand of the northern alliance until after the organization of the Populist party. The interest rate of 2 per cent on government loans, together with the maximum rate of $3\frac{1}{2}$ per cent on other loans, which it advocated, were to be fixed according to Kellogg's principle of the average rate of increase in national wealth.[165] This plan was indorsed by the National Grange[166] and by the Farmers' Mutual Benefit Association.[167] Bills to enact it into law were introduced in the Senate by Leland Stanford[168] and S. M. Cullom,[169] the latter acting on petition from the Farmers' Alliance of Illinois.[170]

In the meantime, Dr. Macune, president of the Farmers' National Alliance and Industrial Union, was working out his own

[164] I (April 27, 1889), 90–92.

[165] *Proceedings of the National Farmers' Alliance at Its Eleventh Annual Meeting, Held at Omaha, Nebraska, January 27, 28, and 29, '91* (Des Moines, 1891), n.p.; *Chicago Express*, September 5, 1891, extract from the *Alliance Farmer* (Lincoln, Neb.).

[166] Ashby, *op. cit.*, p. 322; *Prairie Farmer*, March 29, 1890; letter from Mortimer Whitehead, national lecturer, Patrons of Husbandry, *Western Rural*, XXIX (July 18, 1891), 467.

[167] *Joliet Daily News*, November 21, 1890; *Western Rural*, XXVIII (May 10, 1890), 293. The land-loan plan was supported by the *Ord* (Neb.) *Independent* (*Knights of Labor*, January 17, 1891), the *St. Louis Monitor* (*National Economist*, VI [December 5, 1891], 190), and advocated in letters received from Amherst, Wis., Kansas City, Mo.; Mound City, Kan. (*Farmers' Voice*, November 22, 1890; April 18, July 28, 1891); Texas; Williamsburg, Mich. (*Chicago Express*, April 4, December 19, 1890); and Yankton Co., S.D. (*Western Rural*, XXII, 331).

[168] *National Economist*, II (March 15, 1890), 408. Of Stanford's bill the *Economist* said: "The proposition itself is not original. . . . . There is not an original idea either in the preamble, the resolution, or the explanation given. Each and every one has been placed before the American people hundreds and thousands of times . . . . during the past fifteen years. It is simply the old doctrine of Peter Cooper modernized."

[169] *Ibid.*

[170] *Congressional Record* (51st Cong., 1st Sess.), pp. 2328, 2875, 4228; *Weekly Illinois State Journal* (Springfield), April 24, 1890. A third bill to establish the land-loan plan was introduced in the House of Representatives by Congressman Featherstone of Arkansas (see *Chicago Express*, April 11, 1891).

solution of the money problem. In the *National Economist*, which he edited, successive editorials appeared on the accumulative power of interest and on the power of money through interest to enslave.[171] These were followed by an extract from Kellogg's book which predicted that his monetary system would make the United States economically independent.[172] Then, after a discussion of the interest burden of the South, Macune proposed government loans on crops as well as farms.[173] Viewed from this background, the subtreasury plan offered a few weeks later to the St. Louis convention of the National Farmers' Alliance and Industrial Union in December, 1889,[174] seems little more than an adaptation of the principles behind the land-loan plan to the peculiar needs of the South. The merging of the crop and land-loan plans in the Ocala platform of December 7, 1890,[175] strengthens this inference.[176]

Kellogg's influence upon the agrarian movement seems not to have diminished in the years 1889–92. Aside from the continued circulation of books written by Berkey,[177] B. S. Heath,[178] and Free-

[171] I (June-August, 1889), 167, 188–89, 211, 344.

[172] *Ibid.*, II (September 28, 1889), 24.

[173] *Ibid.*, II (October 5, 1889), 39; *ibid.* (October 19, 1889), p. 82.

[174] *Ibid.*, II (December 21, 28, 1889), 216, 226–27. "The sub-treasury plan is the fullest recognition of the economic truth, that labor creates all wealth, ever proposed in a legislative body" (*ibid.*, III [June 7, 1890], 182).

[175] *Ibid.*, IV (December 20, 1890), 216.

[176] *Farmers' Voice*, January 18, 1890. Here John S. Maiben, in a letter to the editor, notices the indebtedness of the sub-treasury plan to Kelloggism:

"Let any one read the outcome of the late Farmers' Alliance at St. Louis, and they will see that the main trouble with the farmer is, not how to raise corn, but how can we find a market for it after it is raised. And strange to say, the logic of Edward Kellogg has been most emphatically endorsed.

"More money at a low rate of interest. . . . . God grant the time is not far distant, when we will be so enlightened that usury will be utterly abolished and those vampire [*sic*] of our monetary system, the National Banks will be scorched out of existence never able again to fasten themselves as leeches on the body politic."

For a similar analysis of the Ocala subtreasury plank see *ibid.*, April 18, 1891; letter from George C. Ward, Kansas City, Mo.

[177] *The Money Question.* For citations of this work during these years see Mrs. Marion Todd, *Pizarro and John Sherman* (Chicago, 1891), pp. 28–29; *Western Rural*, XXXII (January 4, 1894), 36; Gordon Clarke, ed. *Historical Political and Statistical Handbook of Money* (Alexandria, Va., 1896), pp. 39, 53–54; *Chicago Express*, June 27, 1891.

[178] *Labor and Finance Revolution.* The sixth edition of this work, of which there were two printings, was published in 1891.

man O. Willey,[179] radical papers and new pamphlets continued to disseminate his doctrines. Of the former, the *Farmers' Voice*, the *Chicago Sentinel*,[180] the *Chicago Express*,[181] and the *Alliance* of Lincoln, Nebraska,[182] at least were under his direct influence. The *Voice*, claiming one hundred thousand weekly circulation before Lester C. Hubbard's dismissal in 1892, was an early advocate of a new third party.[183] Its conception of the significance of Kellogg's book was displayed not only in an editorial review,[184] but also by the publication of a long series of column extracts from this work.[185] These were entitled "Political Economy. Financial Science. Extracts from Labor and Capital, by Edward Kellogg."

Of the early Populist pamphlets, the most widely circulated, perhaps, was Colonel S. F. Norton's *Ten Men of Money Island.* Written by a famous greenbacker, whose paper had early championed the revived Kelloggism of the eighties,[186] and who was credited both "with having given the Populists their creed" and as "the author" of their "financial plank,"[187] the pamphlet itself cited Kellogg as an authority, and apparently drew its inspiration

[179] *Whither Are We Drifting as a Nation? and The New Era in Republican Government* (St. Louis, 1891). Originally published in separate volumes in 1882 and 1883, respectively, each advocated the land-loan plan and restated Kellogg's theory of interest.

[180] *Chicago Express*, January 6, 1892, extract from the *Sentinel.*

[181] *Express*, June 20, 1891. This paper was now owned by Colonel Norton.

[182] *Farmers' Voice*, September 19, December 13, 1891. The *Alliance* was edited by J. Burrows, whose indebtedness to Kellogg has been noticed above.

[183] *Farmers' Voice*, March 22, 1890; March 29, 1890; letter from H. L. Loucks to L. C. Hubbard, Clear Lake, S.D.; May 24, 1890; letter from J. Burrows; *ibid.*, letter from Loucks.

[184] February 16, 1889:

"We cannot condense Mr. Kellogg's masterly arguments into a brief notice of the work. He would have Government issue all legal tender money and loan the same at a low and uniform rate of interest to the people . . . . taking as security productive land that would promptly . . . . sell for double the amount loaned.

"This, and the limitation within reasonable bounds of the amount of land which corporations or individuals may own, would, without doubt, save America from the dangers that otherwise threaten to overwhelm us."

[185] *Ibid.*, February 16, 1889—January 4, 1890.

[186] See above, pp. 356–57

[187] *Chicago Times-Herald*, cited in *Joliet Daily News*, July 28, 1896.

from a chapter of his book.[188] Jesse Harper, another populist from the greenback "fringe," drew upon Kellogg's monetary theory, and adopted his doctrine of interest as the distributor of wealth.[189] In an article on "The Heroes of Our Thirty Years' War," the *Chicago Sentinel* placed Edward Kellogg at the head of the "strong money-reform writers" of the radical movement.[190] W. A. Peffer, noted Alliance and Populist senator from Kansas, laid down Kellogg's doctrine of interest as a fundamental Populist demand,[191] a contention which a cursory examination of the literature of the period substantiates.[192] B. G. Bernardi, anarchist, found it necessary to attack Kellogg's proposals before laying down the principles of the labor exchange,[193] while Thomas E. Hill, of Prospect Park, Illinois, felt constrained to deny any indebtedness to Kellogg for his own Hill Banking System.[194] Finally, *Our Money*

[188] *Ten Men of Money Island* (rev. ed.; Girard, Kan., 1902), p. 32; *Labor and Other Capital*, Part II, chap. ii.

[189] "The Origin of Money and Its Uses"; letter to Hon. S. D. Noe, Danville, Ill., August 11, 1890; article written for the *Chicago Sentinel;* in A. C. Barton, *Life of Col. Jesse Harper of Danville, Illinois* (Chicago, 1904), pp. 260, 172, 205, respectively.

[190] Extract quoted in *Chicago Express*, June 27, 1891.

[191] Namely, that the rapid transfer of wealth from producers to non-producers could be stopped only by a reduction of the interest rate "to the level of average net profits in productive industries." See W. A. Peffer, "The Mission of the Populist Party," *North American Review*, CLVII (New York, December, 1893), 666, 673–74, 674–75; *H. E. Taubeneck Scrapbook* (in the possession of I. D. Taubeneck, Bronxville, N.Y.), W. A. Peffer to J. D. Holden, Topeka, Kan., July 27, 1895. Senator Peffer was an ardent advocate of the land-loan plan, and introduced a bill in the Senate to establish it (*Vanguard*, June 11, 1892). Colonel S. F. Norton (*Express*, September 5, 1891), John Davis, congressman from Kansas (*ibid.*, February 22, 1896), and others supported Peffer's doctrine of interest.

[192] Letters in the *Farmers' Voice*, May 3, 1888; June 15, 1889; July 18, 1891; January 6, June 23, July 21, 1894; October 26, 1895; editorials, *ibid.*, February 23, April 6, 1889; *Western Rural*, XXIX (August 15, 1891), 524; *Vanguard*, October 22, 1892, ". . . . Usury is the tap-root, the essence, the soul of oppression. It is the great central pillar upon which capital stands. It is the father and mother of all monopolies." *American Federationist*, II (Indianapolis, August, 1895), 107, editorial; *Age of Labor* (Chicago, July 1, 1892).

[193] *Trials and Triumphs of Labor. The Text Book of the Labor Exchange* (Independence, Mo., 1895), p. 121.

[194] *Farmers' Voice*, October 10, 1891. The Hill Banking System found considerable support in the early years of the Populist movement. The *Farmers' Voice*

Wars, written by Samuel Leavitt, formerly managing editor of Peter Cooper's *New York Advocate*, and attached successively to the editorial staffs of the *Irish World*, the *Chicago Sentinel*, and the *Joliet Daily News*,[195] hailed Kellogg as the originator of the "American system of money," and his book as "a text-book and guide for labor and currency reformers ever since."[196]

The first manifesto[197] published by the national committee appointed at Cincinnati on May 21, 1891, demonstrates conclusively the influence of Kelloggism on the Populist program and philosophy. After a long arraignment of the nation's ills,[198] this document concluded that their fundamental cause lay in the existing monetary system. The remedy advocated was government loans "on approved security" to the people at 2 per cent per annum. With a self-regulating currency "equal to first mortgages on real estate" that no clique could control, and with the interest rate lowered to the proper level by government credit operations, "unproductive capital would never draw a greater increase than two per cent. . . . ." The "money now exacted as unjust usury would remain in the hands of producers and foreign capitalists being unable to compete with the people represented in the government would be driven from the country, and industrial inde-

---

(March 21, 1891); the *Vanguard* (*ibid.*, June 4, 1892; cf. *H. D. Lloyd MSS* [State Historical Society of Wisconsin], A. P. Stevens to Lloyd, Chicago, January 13, 1894); the Henning (Minn.) *Advocate* (Stevens to Lloyd, *loc. cit.; American Nonconformist*, January 28, 1892, Frank Hoskins, Henning, Minn., to the editor); L. C. Hubbard (*The Coming Climax in the Destinies of America* [Chicago, 1891]); and Mrs. Marion Todd (*op. cit.*) were all advocates of the Hill Banking System. For its provisions see *L. H. Weller MSS* (State Historical Society of Wisconsin), Thomas E. Hill to Weller, Prospect Park, Ill., April 8, 1891; Thomas E. Hill, *Money Found: Recovered from Its Hiding Places, and Put into Circulation through Confidence in Government Banks* (rev. ed.; Chicago, 1894); *Farmers' Voice*, March 14, 1891.

[195] *Lloyd MSS*, circular and newspaper clipping attached to letter from Leavitt to Lloyd, July 3, 1896. The clipping, probably taken from the *Joliet Daily News*, called *Our Money Wars* the standard Populist authority on the money question.

[196] *Our Money Wars: The Example and Warning of American Finance* (Boston, 1896; 1st ed., 1894), Preface and p. 73.

[197] *Chicago Express*, July 25, 1891; *Western Rural*, XXIX (August 15, 1891), 521.

[198] These included agricultural indebtedness, fear of rural serfdom, and the dominance of British capital in the United States.

pendence thus secured." In Kelloggism, therefore, lay the solution of that problem presented by the monetary system which "the People's Party" considered "the most pressing reform."[199]

In view of the fact that the leaders of the party organized at Cincinnati controlled the succeeding conferences held at Indianapolis[200] and St. Louis,[201] and since the financial plank of the Omaha platform[202] was taken bodily from that adopted at the St. Louis Industrial Conference,[203] it is difficult to avoid the conclusion that Kelloggism continued as an essential ingredient of Populism. So important, in fact, was the financial plank in Populist eyes, that many proposed it as a one-plank platform for 1892.[204] Nor is it without significance that old Alexander Campbell, "the Moses" and interpreter of Kelloggism to the West in the sixties and seventies, was wildly cheered by the Omaha convention when he was introduced by Colonel S. F. Norton.[205] Four years later, when Populism met under the cloud of free silver at St. Louis, the "middle-of-the-road" contingent included the modified Kelloggism of the Omaha platform in their financial proposals.[206]

Enough has been said to indicate the continued influence of Kelloggism upon that defensive movement of "producers" which resisted for three decades the industrialization of America and

[199] *Ibid.* See also *Express*, January 17, May 9, 1891; Leavitt, *op. cit.*, pp. 306–7; Miller, *op. cit.*, pp. 160–61; *St. Louis Monitor*, quoted in *National Economist*, VI (December 5, 1891), 190; *Farmers' Voice*, June 27, 1891.

[200] *Ignatius Donnelly MSS* (State Historical Society of Minnesota), Box 46, H. E. Taubeneck to Donnelly, Marshall, Ill., November 6, 1891; *Taubeneck Scrapbook*, clipping from the *St. Louis Chronicle*, February 28, 1892; F. G. Blood, *Hand Book and History of the National Farmers' Alliance and Industrial Union* (Washington, D.C., 1893), p. 41.

[201] *Taubeneck Scrapbook*, clipping from *St. Louis Chronicle*, February 28, 1892.

[202] *Chicago Tribune*, July 5, 1892.

[203] *Farmers' Voice*, March 5, 1892. This plank was in turn but a modification of those included in the Cincinnati (*ibid.*, May 30, 1891) and the earlier Ocala (*ibid.*, December 20, 1890) platforms.

[204] This proposal reminded one E. O. Ball, of New York, that "this plan was urged twelve years ago by one of the clearest voices in this city, a co-worker with Kellogg, the author, and a merchant, as was Mr. Kellogg" (*American Nonconformist*, January 28, 1892).

[205] *Vanguard*, July 9, 1892.

[206] *Chicago Times-Herald*, July 20 and 24, 1896.

sought by monetary experiments to counteract the falling price level of the post-war era. Essentially a "producers' " philosophy, with its emphasis upon the labor theory of value and its distinction between producing and non-producing capital, it gives meaning and unity to otherwise disconnected elements of radical thought observable in the literature of the period. Repeated references to an unfair distribution of wealth, to the labor theory of value,[207] and to "producing" and "non-producing" classes suggest of themselves the presence of an economic radicalism fundamentally hostile to the industrial world. So, likewise, do the prolonged attack upon the national banking system and the extravagance with which "Usury," "Shylock," and "Millionaires" were assailed. In Kellogg's theories of money, interest, and credit, we can find the key to the then-asserted relation between these phenomena and the currency and financial proposals of the period, proposals admittedly the heart of the radical program. The legal-tender theory, the interconvertible currency, and the subtreasury plan all find an explicable origin in his system. His theory of interest explains the insistence that only financial reform could remedy the unequal distribution of wealth and restore to labor its lost independence. Likewise, the emphasis upon political action, so characteristic of these radical movements, received added force from his declaration that through this means alone could complete reform be obtained. The justification which this utopian scheme offered to the inflation sentiment of an indebted West suffering from a prolonged decline in agricultural prices, and the lure of its promise of an equitable distribution of wealth to rural and urban classes vexed by the economic and social maladjustment born of the industrial revolution, offer some explanation of the continued influence of Edward Kellogg upon American radicalism during the years 1865–96.

CHESTER MCA. DESTLER

ALBION COLLEGE

[207] For an example see above, p. 360, n. 174.